

**STATE OF CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY  
ARNOLD SCHWARZENEGGER, GOVERNOR**

**CALIFORNIA DEPARTMENT  
OF ALCOHOL AND DRUG PROGRAMS**

**HIGHLIGHTS OF THE  
BUDGET ACT  
FISCAL YEAR 2005-06**

**JULY 11, 2005**

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**  
**BUDGET ACT**  
**FISCAL YEAR 2005-06**  
**-HIGHLIGHTS-**

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**TOTAL BUDGET**

The Department of Alcohol and Drug Programs' (ADP) budget for Fiscal Year (FY) 2005-06 is \$615.0 million. Of this amount, \$571.3 million (92.9%) is for local governments and communities to provide treatment, recovery, and prevention services; and \$43.7 million (7.1%) is for State Support [Exhibit A].

**POSITION SUMMARY**

The budget includes 326.0 positions, which represents an increase of 4.0 positions as compared to the FY 2004-05 position base. The additional 4.0 positions are as follows: 2.0 positions for the recently awarded federal Access to Recovery (ATR) Grant and 2.0 positions in support of collaborative efforts with the Department of Mental Health to implement the Mental Health Services Act (Proposition 63).

**GENERAL FUND**

ADP's budget includes \$122.6 million (19.9% of the total budget) in State General Fund (SGF) for ADP programs [Exhibit B]. This represents a 4.5 percent increase in ADP's SGF as compared to the FY 2004-05 total SGF Appropriation of \$117.3 million primarily due to projected Drug Medi-Cal (DMC) increases. Of the \$122.6 million total SGF budget, \$117.4 million (95.8%) is for Local Assistance and \$5.2 million (4.2%) is for State Support [Exhibit C].

The SGF budget includes funding for Non-DMC Regular Discretionary and Non-DMC Perinatal Programs, DMC Regular and DMC Perinatal Programs, the Drug Court Partnership Act, the Comprehensive Drug Court Implementation Act, and the Health Insurance Portability and Accountability Act, which are discussed below in more detail.

**General Fund Local Assistance Discretionary**

The total SGF budget includes \$6.2 million for Non-DMC Regular Discretionary Programs. Of this amount, \$5.8 million is for Local Assistance and the remaining balance of \$413,000 is for State Support [Exhibit C].

**General Fund Local Assistance Perinatal**

The Local Assistance budget continues to include \$23.5 million for Non-DMC Perinatal Programs [Exhibit C].

## **Women and Children's Residential Treatment Services**

Of the budgeted funds for ADP's Perinatal Programs, \$6.4 million continues to be earmarked to fund existing residential perinatal treatment programs that started through federal Center for Substance Abuse Treatment grants which have since expired and currently are constituted as Women and Children's Residential Treatment Services.

## **Drug Court Partnership (DCP) Program**

The budget continues to include \$7.8 million for the DCP Act of 2002. Of this amount, \$7.6 million is for Local Assistance and the remaining balance of \$244,000 is for State Support [Exhibit C]. The focus of DCP activities continues to be exclusively on felons.

## **Comprehensive Drug Court Implementation (CDCI) Program**

The budget continues to include \$9.1 million for the CDCI Act. Of this amount, \$8.9 million is for Local Assistance and the remaining balance of \$175,000 is for State Support [Exhibit C].

## **DRUG MEDI-CAL**

### **Drug Medi-Cal Program**

The DMC program provides medically necessary substance abuse treatment services for eligible Medi-Cal beneficiaries. Services include outpatient drug free, narcotic replacement therapy, day care rehabilitative, Naltrexone, and residential services for pregnant and parenting women.

Based upon the DMC May Revise Estimates for FY 2005-06 developed by ADP's Office of Applied Research and Analysis, the Local Assistance budget reflects \$62.8 million in DMC SGF (\$60.3 million Regular and \$2.5 million Perinatal) and \$56.2 million (\$53.7 million Regular and \$2.5 million Perinatal) in DMC federal financial participation (FFP) reimbursements from the Department of Health Services [Exhibit C]. Compared to the FY 2004-05 Budget Act, this represents a SGF increase of \$5.7 million and an FFP increase of \$4.2 million due to projected caseload and unit of service increases, as well as an augmentation to the DMC rates previously authorized at the FY 2002-03 levels.

The Federal Medi-Cal Assistance Percentage (FMAP) is the percentage used to determine the federal share of the Medi-Cal Program. For FY 2005-06, the FMAP continues to be 50 percent.

The budget for State Support includes \$3.5 million in SGF and \$3.5 million in FFP reimbursement for DMC program support [Exhibit C].

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)**

This budget includes \$1.8 million (\$0.8 million SGF and \$1.0 million Reimbursements) in State Support for HIPAA [Exhibit C].

**SUBSTANCE ABUSE TREATMENT TRUST FUND (PROPOSITION 36)**

The budget includes \$120.4 million (19.6% of the total proposed budget) from the Substance Abuse Treatment Trust Fund (SATTF) in support of Proposition 36 activities [Exhibit B]. Of the total SATTF budget, \$116.5 million (96.8%) is for Local Assistance and \$3.9 million (3.2%) is for State Support [Exhibit C].

**FEDERAL FUNDS**

The budget includes \$288.6 million in Federal Trust Funds, which represents 46.9% of ADP's total budget [Exhibit B].

**Substance Abuse Prevention and Treatment (SAPT) Block Grant**

The budget includes \$262.4 million for the Substance Abuse Prevention and Treatment (SAPT) Block Grant [Exhibit C]. Of this \$262.4 million, \$2.0 million will be transferred to the Department of Health Services in compliance with the requirements established for the Sale of Tobacco to Minors Control Account. The remaining \$260.4 million SAPT dollars consist of \$241.9 million for Local Assistance and \$18.5 million for State Support [Exhibit C].

**SAPT Maintenance of Effort (MOE) Requirement**

As a condition of receiving SAPT Block Grant funds, ADP must meet the MOE grant requirement, which requires ADP to maintain non-federal expenditures for substance abuse prevention and treatment services at a specific level. The MOE requirement is derived from a mathematical computation in which the current year's non-federal expenditures cannot be less than the average of those expenditures for the two preceding state fiscal years.

ADP's budget includes \$257.4 million in non-federal expenditures, which is sufficient to meet the MOE requirement of \$249.3 million for FY 2005-06.

**Substance Abuse Treatment and Testing Accountability (SATTA) Program**

The budget continues to include \$8.6 million in SAPT Block Grant funds for the SATTA Program. The SATTA Program provides funding for drug testing for clients treated under the Substance Abuse and Crime Prevention Act of 2000 and can also be used for any other purpose consistent with federal SAPT Block Grant requirements.

**Safe and Drug-Free Schools and Communities (SDFSC) Grant**

The budget includes \$12.4 million for the Safe and Drug-Free Schools and Communities (SDFSC) Grant. Of this amount, \$10.3 million is for Local Assistance and \$2.1 million is for State Support [Exhibit C].

**State Incentive Grant**

The budget continues to include \$4.0 million for the State Incentive Grant. Of this amount, \$3.4 million is for Local Assistance and \$600,000 is for State Support [Exhibit C].

**Screening, Brief Intervention, Referral, and Treatment (SBIRT) Grant**

The budget includes \$3.5 million for the SBIRT Grant. The SBIRT Program provides alcohol and other drug (AOD) screening, brief intervention, referral, and treatment and extends the State's current continuum of care for AOD clients. The budget includes \$3.4 million in Local Assistance and \$76,000 in State Support [Exhibit C].

**Access to Recovery (ATR) Grant**

The budget includes \$7.6 million in Federal Expenditure Authority and two limited-term positions for the ATR Grant. This grant will increase substance abuse treatment capacity by implementing a voucher program that expands access to a comprehensive array of clinical AOD treatment and recovery services (including faith-based treatment options). The budget includes \$6.4 million in Local Assistance and \$1.2 million in State Support [Exhibit C].

**Ecstasy and Other Club Drugs Grant**

The budget includes \$292,000 in Federal Expenditure Authority for the Ecstasy and Other Club Drugs Grant which will provide prevention and intervention services, as well as mentoring, to at-risk middle school and high school students to reduce the risk of early onset experimentation and use of gateway and club drugs. The budget includes \$272,000 in Local Assistance and \$20,000 in State Support [Exhibit C].

**INDIAN GAMING SPECIAL DISTRIBUTION FUND**

The budget includes \$3.0 million in State Support from the Indian Gaming Special Distribution Fund to continue a problem gambling prevention program [Exhibit C]. Additionally, \$200,000 of unspent funds from FY 2004-05 has been reappropriated to be spent on culturally-competent literature on problem gambling.

**MENTAL HEALTH SERVICES FUND (PROPOSITION 63)**

The budget includes \$248,000 in State Support and two limited-term positions funded from the Mental Health Services Fund to implement activities in support of the Mental Health Services Act (Proposition 63) [Exhibit C]. Activities include establishing collaborative mental health and AOD services within ADP.

**DEPENDENCY DRUG COURT PROGRAM**

The budget includes \$1.8 million reimbursement authority from the Department of Social Services' (DSS) federal Promoting Safe and Stable Families funds [Exhibit C]. This funding for the Comprehensive Drug Court Implementation Program is for planning new or expanding existing dependency drug court programs in selected counties.

**SUBSTANCE ABUSE SERVICES FOR INDIAN HEALTH CLINICS**

The budget includes \$2.1 million to fund substance abuse services in Indian Health Clinics. These funds are a reimbursement from DSS. The budget includes \$1.9 million in Local Assistance and \$157,000 in State Support [Exhibit C].

**WELFARE REFORM – CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS)**

Substance abuse can limit or impair a CalWORKs participant's ability to make the transition from welfare to work, or retain employment over a long period of time. The budget for DSS includes \$48.87 million SGF for the provision of treatment and recovery services to CalWORKs recipients for whom substance abuse is a barrier to employment. This is a slight increase of \$870,000 from the FY 2004-05 Budget Act funding level due to caseload growth. The CalWORKs SGF for substance abuse will continue to be specifically identified in DSS' county allocation.

**CLIENTS SERVED**

The budget estimates that there will be 370,100 clients served in FY 2005-06. Of the total served, it is estimated that 91,415 will be DMC clients and 107,600 will be Substance Abuse and Crime Prevention Act clients.

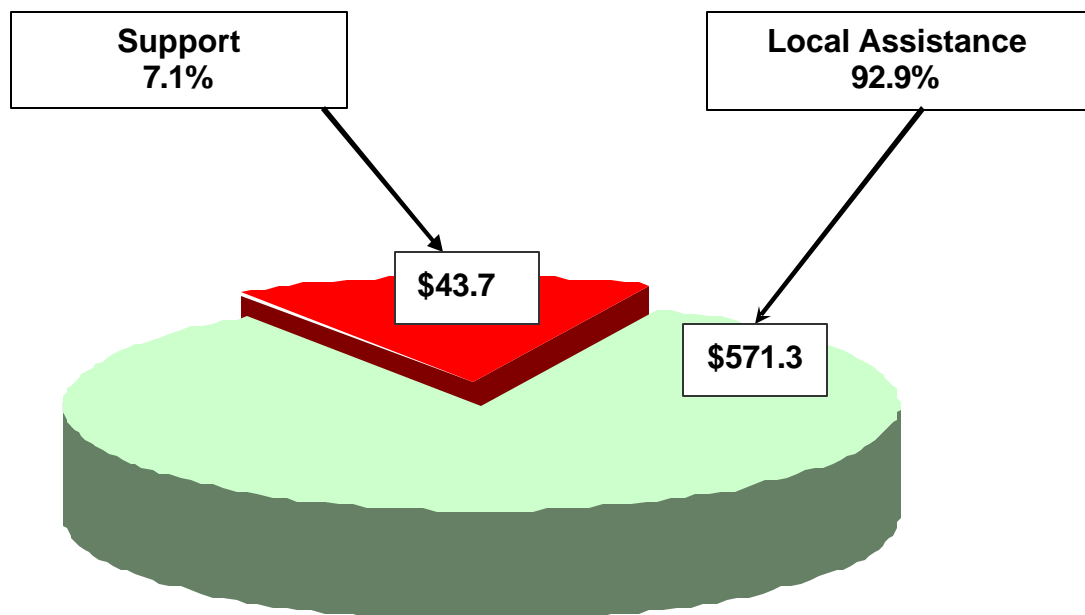
## EXHIBIT A

### Department of Alcohol and Drug Programs Budget Act Fiscal Year 2005-06

#### Budget By Category

(\$ In Millions)

**\$615.0**

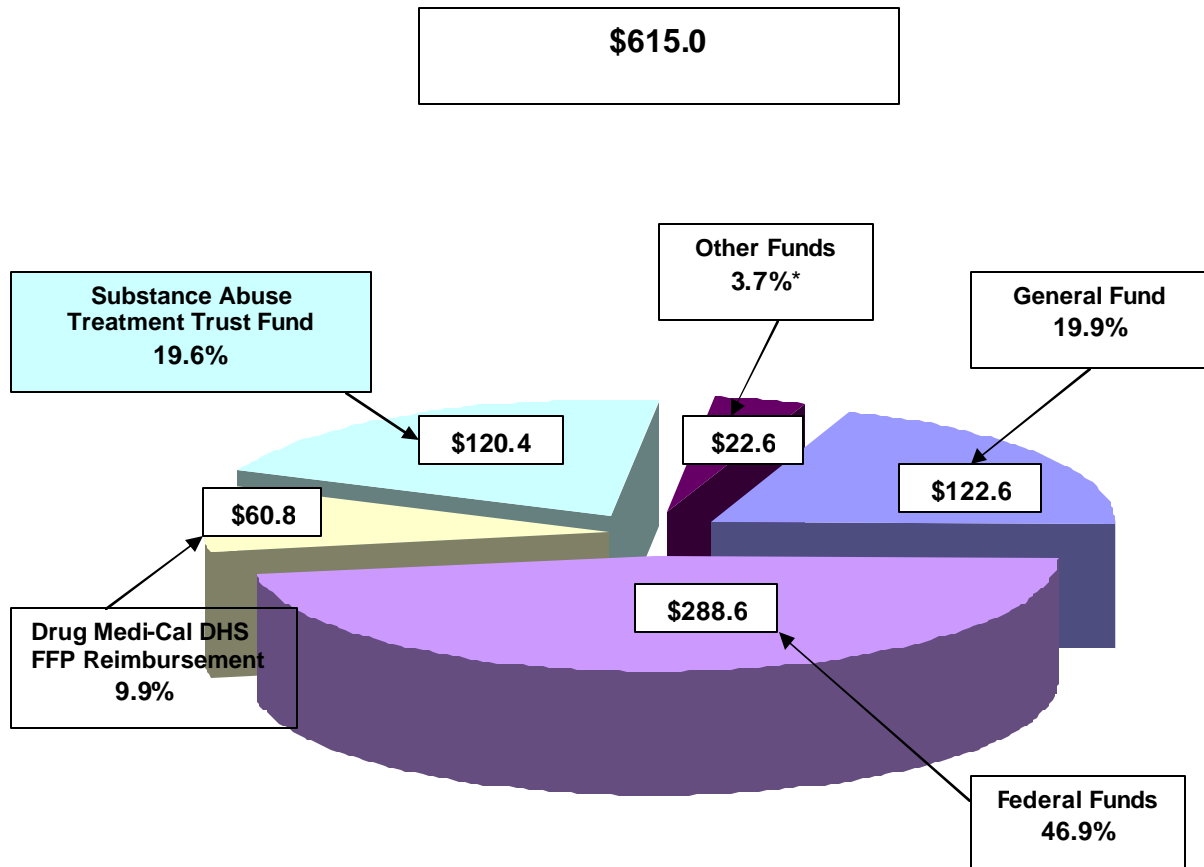


## EXHIBIT B

### Department of Alcohol and Drug Programs Budget Act Fiscal Year 2005-06

#### Budget By Fund Source

(\$ In Millions)



\* "OTHER FUNDS" INCLUDES: DRIVING-UNDER-THE-INFLUENCE LICENSING TRUST FUND, NARCOTIC TREATMENT PROGRAM LICENSING TRUST FUND, AUDIT REPAYMENT TRUST FUND, INDIAN GAMING SPECIAL DISTRIBUTION FUND, RESIDENT-RUN HOUSING REVOLVING FUND, MENTAL HEALTH SERVICES FUND, THE DEPARTMENT OF CORRECTIONS REIMBURSEMENT CONTRACT, AND OTHER MISCELLANEOUS REIMBURSEMENT AUTHORITY.



**EXHIBIT C**  
**Department of Alcohol and Drug Programs**  
**Budget Act**  
**FISCAL YEAR 2005-06**

FUNDING SOURCE	CATEGORY		TOTAL BUDGET	TOTAL PERCENTAGE
	SUPPORT	LOCAL ASSISTANCE		
<b>General Fund</b>	<b>\$5,195</b>	<b>\$117,435</b>	<b>\$122,630</b>	<b>19.94%</b>
Non-Drug Medi-Cal Regular	\$413	\$5,768	\$6,181	1.00%
Non-Drug Medi-Cal Perinatal	\$0	\$23,457	\$23,457	3.81%
Drug Medi-Cal Regular	\$3,316	\$60,298	\$63,614	10.34%
Drug Medi-Cal Perinatal	\$216	\$2,537	\$2,753	0.45%
HIPAA	\$831	\$0	\$831	0.14%
Drug Court Partnership Act	\$244	\$7,600	\$7,844	1.28%
Comprehensive Drug Court Implementation Act	\$175	\$8,875	\$9,050	1.47%
Parolee Services	\$0	\$8,900	\$8,900	1.45%
<b>Substance Abuse Treatment Trust Fund (Prop 36)</b>	<b>\$3,860</b>	<b>\$116,514</b>	<b>\$120,374</b>	<b>19.57%</b>
<b>Driving-Under-the-Influence Program Licensing Trust Fund</b>	<b>\$1,601</b>	<b>\$0</b>	<b>\$1,601</b>	<b>0.26%</b>
<b>Narcotic Treatment Program Licensing Trust Fund</b>	<b>\$1,321</b>	<b>\$0</b>	<b>\$1,321</b>	<b>0.22%</b>
<b>Indian Gaming Special Distribution Fund</b>	<b>\$3,040</b>	<b>\$0</b>	<b>\$3,040</b>	<b>0.49%</b>
<b>Audit Repayment Trust Fund</b>	<b>\$67</b>	<b>\$0</b>	<b>\$67</b>	<b>0.01%</b>
<b>Mental Health Services Fund (Prop 63)</b>	<b>\$248</b>	<b>\$0</b>	<b>\$248</b>	<b>0.04%</b>
<b>Federal Trust Fund</b>	<b>\$22,931</b>	<b>\$265,667</b>	<b>\$288,598</b>	<b>46.93%</b>
Substance Abuse Block Grant	\$20,527	\$241,839	\$262,366	42.66%
Sale of Tobacco to Minors Control Account (SAPT)	-\$2,000	\$0	-\$2,000	-0.32%
Safe and Drug-Free Schools	\$2,079	\$10,329	\$12,408	2.02%
Uniform Data Systems	\$321	\$0	\$321	0.05%
State Data Infrastructure Grant	\$100	\$0	\$100	0.02%
State Incentive Grant	\$600	\$3,400	\$4,000	0.65%
Access to Recovery Grant	\$1,208	\$6,384	\$7,592	1.23%
Ecstasy Grant	\$20	\$272	\$292	0.05%
SBIRT Grant	\$76	\$3,443	\$3,519	0.57%
<b>Resident Run Housing Revolving Fund</b>	<b>\$0</b>	<b>\$39</b>	<b>\$39</b>	<b>0.01%</b>
<b>Reimbursements</b>	<b>\$5,410</b>	<b>\$71,663</b>	<b>\$77,073</b>	<b>12.53%</b>
DSS: Substance Abuse Svs. For Indian Health Clinics	\$157	\$1,943	\$2,100	0.34%
DSS: Dependency Drug Court	\$0	\$1,800	\$1,800	0.29%
DHS: Drug Medi-Cal Regular	\$3,316	\$53,731	\$57,047	9.27%
DHS: Drug Medi-Cal Perinatal	\$216	\$2,537	\$2,753	0.45%
DHS: HIPAA	\$960	\$0	\$960	0.16%
CDC: Parolee Services Network	\$476	\$10,707	\$11,183	1.82%
Other	\$285	\$945	\$1,230	0.20%
<b>TOTALS</b>	<b>\$43,673</b>	<b>\$571,318</b>	<b>\$614,991</b>	<b>100.00%</b>